



Appendix 5

Application 09/376381

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Group Art Unit: 2161

Khai Hee Kwan

Serial Number: 09/376,381

Filed: 18/Aug/1999

Examiner: Debra Charles

**Amendment A**

Honorable Commissioner of
Patents and Trademarks
Washington, D.C. 20231

Sir:

In response to the Office Action mailed 2001, Dec 31, please amend the above application as follows:

Claims: Cancel claims 1 through 28 of record and substitute new claims 29 through 54. (16 pages as follows excluding our request page 1 and 2 herein)

REMARKS - General

By the above amendment, Applicant has amended the title to emphasize the novelty of the invention.

Also applicant has rewritten all claims to define the invention more particularly and distinctly so as to overcome the technical rejections and define the invention patentably over the prior art.

The Novel Properties Produce New And Unexpected Results And Hence Are New, Unobvious and not Described in And Patentable Over These References Under § 102(e)

The application respectfully submits for the reasons given above that the claims are a fortiori patentable and should be allowed

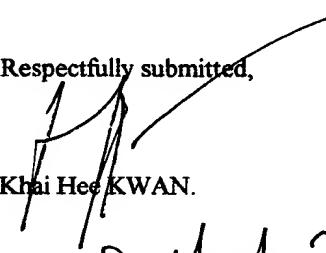
Conclusion

For all of the above reasons as described in the main submission, applicant submits that the specification and claims are now in proper form, and that the claims all define patentably over prior art. Therefore the applicant submits that this application is now in condition for allowance, which action is respectfully solicit.

Conditional Request For Constructive Assistance

Applicant has amended the specification and claims of this application so that they are proper, definite, and define novel structure which is also unobvious. If, for any reason, this application is not believed to be in full condition for allowance, applicant respectfully requests the constructive assistance and suggestions of the Examiner pursuant to M.P.E.P § 707.03(d) and § 707.07(j) in order that the undersigned can place this application in allowable condition as soon as possible and without the need for further proceedings.

Respectfully submitted,


Khai Hee KWAN.

8 March 2002.

29. A data processing apparatus for cargo service providers to manage cargo space risk in an interactive electronic exchange between registered users and cargo service providers by electronically pricing said risk as an option fee in accordance to the terms of a contract to secure the underlying cargo service at a pre-agreed final price within a pre-agreed

5 future period, said priced contracts may be sold, bought and settled comprising:

a central controller including a CPU, database and a memory operatively connected to said CPU;

10 at least one service provider's cargo system including a CPU, database and a memory operatively connected to said CPU, said cargo system adapted for communicating with said central controller over a network;

15 wherein cargo system is connected to a database containing information including but not limited to cargo prices, customer information, route criteria, cargo space availability, cargo space sold, electronic option contracts with respective terms, transporter schedule, loading capacity, type of cargo, type of transporter and planning criteria, having means to update, delete, insert, search, select, match, identify, filter;

20 said memory in said cargo system containing a program means for calculating, selecting, planning and responding adapted to be executed by said cargo system's CPU;

25 a plurality of terminal devices, adapted for communicating with said central controller, for transmitting to said central controller cargo shipping information including but not limited to final price payable, destination of cargo, arrival date of cargo, flexibility of arrival date, type of cargo, departure date, departure location and route criteria over a network;

30 wherein said cargo system calculating means uses final price payable, weighted average cost of capital of service provider, time period to provide service, current cargo service cost for a selected route to determine the base price, calculating standard deviation of cargo service price;

35 wherein said cargo system selecting means uses destination of cargo, arrival date of cargo, flexibility of arrival date, type of cargo, departure date, departure location, weather conditions, loading capacity, demand for this type of cargo space, timing issues and route criteria to determine availability of service;

40 wherein said cargo system planning means uses said selection and said base price to determine commercial suitability;

wherein planning criteria is acceptable said cargo system responding means to provide cargo information to central controller for further acceptance;

45 said memory in said central controller containing a program, adapted to be executed by said CPU;

wherein said central controller calculating means uses current price as determined by cargo system, current loading capacity of a chosen transporter, historical demand for this type of cargo space, the standard deviation of cargo prices up to request time for this service route, acceptable weather data on chosen departure and arrival date(s), data on coincidence of departure date with any public holiday or weekends, the type of transporter selected on this route and number of weeks before departure date, weighted average cost of capital as provided by responsive cargo system also collectively known as cargo information, flexibility factor and type of cargo, final price payable as provided by user and number of competition on the same route as determined by the number of responsive cargo systems ;

wherein said central controller is connected to at least one service providers' cargo systems through a connecting means over a network;

wherein said central controller receives said shipping information criteria from said terminal and uses said criteria to query service provider's cargo system over a network;

wherein said central controller receives cargo information from said cargo system having satisfies planning criteria in said system and matches said user's shipping information criteria over a network;

wherein said central controller is connected to a database containing but not limited to users account information, including past transaction records of any sale and purchase of option contracts and commitment terms, cargo prices, personal details including banking accounts, transaction amounts, watch list according to route, type of cargo, transporter, departure destination, arrival destination, alert conditions said accounts are protected by passwords and login sequence; and

said central controller having searching means to search by means of stored conditions or by alert conditions set by user, means to display with a graphic user interface and means to offer priced option contracts and cargo service request which are posted for sale and bids are placed to attract buyers/sellers for a predetermined period, in said database.

30. The apparatus according to claim 29, wherein said program in said central controller's memory means to receive a user request input via said terminal device to purchase or sell or settle the option contracts, search other contracts, offer for sale, offer to buy, means to redirect the selected offer back to the seller for final confirmation and further means to perform a payment transaction through a nominated bank account to sell or buy the contracts for the registered user and settled the same for provider or counterparty of said contracts.

31. The apparatus according to claim 30, wherein said program in said memory means to receive a registered user request input via said terminal device to settle a cargo option contract and further means to perform a payment transaction through a nominated bank

account to pay service provider the final price payable for the contract to secure the underlying contracted cargo services in accordance with the terms of the contract and further means to update both registered user's and service provider's accounts in the database.

5 32. A method of electronically pricing a cargo option fee contract satisfying a fixed route and a final price and offering it, the method comprising the steps of:

10 querying cargo price for a fixed route and type of cargo;

15 receiving the cargo price for a fixed route and type of cargo from central controller;

20 inputting final price payable, destination of cargo, arrival date of cargo, departure date, departure location, flexibility of arrival date, type of cargo, and route criteria to a central controller through a plurality of terminal devices, collectively known as shipping information via a terminal over a network by user ;

25 querying service provider's cargo system based on above shipping information by user;

30 finding service provider's cargo system that accepts the user's shipping information where each cargo system have their own pre-set determination criteria such as but not limited to the minimum base price, acceptable weather conditions at departure and arrival points and dates based on flexibility factor, availability of cargo space on transporter for the type of cargo for the route in question that satisfy said user's information;

35 on acceptance, cargo system responding with cargo information such as the loading capacity of the chosen transporter, type of selected transporter, historical demand rate for this type of cargo space, the standard deviation of the freight price for this particular route, the forecasted weather on this particular route, timing of holiday period for date of departure, number of weeks before selected departure date(s), collectively known as cargo information over a network;

40 sending the cargo information and base price to the central controller from each cargo system wishing to respond to the user's request;

45 combining the shipping information from said user, base price and cargo information from responding service provider's cargo system and determining the number of cargo providers competing in this request (s);

40 executing a program to calculate the fee based on different departure dates where available, one or more electronic option contract that gives the customer the contractual right to secure within a future period said period equal or less to the period before the selected departure date, the underlying cargo shipping services for a particular route, for a particular service provider and final price which satisfied the shipping information;

outputting the cargo option fee or fees and corresponding option contract from each responding cargo service provider to await user's response where such offer(s) are open for a predetermined period.

5 33. A computer implemented system for cargo service providers to manage cargo space risk in an interactive electronic exchange between registered users and cargo service providers by electronically pricing said risk as a option fee in accordance to the terms of a contract to secure the underlying cargo service at a pre-agreed final price within a pre-agreed future period, said priced contracts may be sold, bought and settled comprising:

10 having an user input cargo shipping information;

15 having service provider's cargo system provide cargo information upon determining suitability of such input by user as transmitted by central controller;

15 having a CPU in service provider's cargo system;

20 having a memory in cargo system means connected to said CPU, said memory means containing a program adapted to be executed by said CPU;

20 having said CPU and memory in cargo system means to calculate the base price and determining suitability of said base price and the shipping information inputted by user, and means to response cargo information to central controller if suitability is acceptable;

25 having a CPU in the central controller;

25 having a memory in central controller means connected to said CPU, said memory means containing a program adapted to be executed by said CPU;

30 having said CPU and memory means receive shipping information from user and cargo information from cargo system; and

35 having said CPU and memory means electronically calculate a option fee contract that gives the customer the contractual right to secure within a future period said period equal or less to the period before the selected departure date, the underlying cargo shipping services for a particular route, for a particular service provider and final price which satisfied the shipping information.

34. The system according to claim 33, wherein said information is inputted and transmitted over a network.

40 35. The system according to claim 33, wherein said cargo system receives information includes first information describing final price payable, second information describing destination of cargo, third information describing arrival date of cargo, fourth information describing the flexibility of arrival date, fifth information describing the type of cargo, sixth information describing the departure date of cargo, seventh information describing

the departure location, eighth information describing the route criteria from user wherein said program in cargo system is further means to use at least one of said first information, said second information, said third information, said fourth information, said fifth information, said sixth information, said seventh information, said eighth information to

5 calculate base price, determine planning, and commercial suitability; and

wherein said central controller receives information includes first information describing a number of weeks before departure, second information concerning the historical demand of this type of cargo space, and third information concerning the standard

10 deviation of the freight prices of the said route, and fourth information on the current price, and fifth information on the flexibility of the cargo arrival date, sixth information on the loading capacity of the transporter at the time of query, seventh information on the predicted weather prevailing on the date of departure and arrival, eighth information on the timing of the transporter, ninth information on the type of cargo, tenth information on

15 the type of transporter selected, eleventh information on the number of competition, twelfth information on the final price payable, thirteenth information on weighted average cost of capital of service provider and wherein said program in central controller is further means to use at least one of said first information, said second information, said third information, said fourth information, said fifth information, said sixth information,

20 said seventh information, said eighth information, said ninth information, said tenth information, said eleventh information, said twelfth information, said thirteenth information to calculate the cargo service option fee.

36. The system according to claim 33, wherein said computer program in said memory in
25 central controller means updates a database to record the information of the relevant contractual parties in their respective accounts and said computer program in said memory in cargo system means to update a database to reserve cargo space pending settlement of option contract, loading capacity of chosen transporter, on the selected route and date(s).

30 *a 1*
37. The system according to claim 33, wherein the said program in said memory in central controller calculates the cargo option fee based at least in part on the formula:

$$\begin{aligned} a &= \text{Log}(CP / FP) \\ b &= (BR + 0.5 * SD^2) * TY \\ c &= SD * (TY^{0.5}) \\ d1 &= (a + b) / c \\ d2 &= d1 - SD * (TY^{0.5}) \end{aligned}$$

40 Cargo Option Fee = $(CP * \text{SNorm}(d1) - FP * \text{Exp}(-BR * TY) * \text{SNorm}(d2)) * L * LD * R * W * T * Q * A * CO$

Function $\text{SNorm}(z)$

$$\begin{aligned} c1 &= 2.506628 \\ c2 &= 0.3193815 \\ c3 &= -0.3565638 \end{aligned}$$

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c4 = 1.7814779
c5 = -1.821256
c6 = 1.3302744
5 If z > 0 Or z = 0 Then
    w = 1
    Else w = -1
    End If
    y = 1 / (1 + 0.2316419 * w * z)
    SNorm = 0.5 + w * (0.5 - (Exp(-z * z / 2) / c1) * (y * (c2 + y * (c3 + y * (c4 + y *
10 (c5 + y * c6))))))
End Function

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where L is the factor related to load capacity, TY in Years to departure, FP is the Final Price Payable, BR is the Borrowing Rate of service provider, LD is a factor concerning the historical demand for this type of cargo space, R is a factor concerning flexibility of cargo arrival date, SD is the instantaneous standard deviation of the freight cargo prices as measured in logarithmic returns, CP is the current cargo price, W is a factor concerning the weather on the departure date and arrival date, T is a factor concerning timing of departure date such as in holiday period or otherwise, Q is factor for type of cargo including weight, dimensions, A is for type of transporter and CO is for number of competition on the same route;

wherein the calculating step of said program in said memory in cargo system calculates the standard deviation of the freight cargo prices or implicitly from actual transacted option fee of similar terms; and

A1 wherein the calculating step said program in said memory in cargo system calculates the base price at least in part on the formula:

30 Base Price = $(CP * (1 - FP/CP)) * ((1 + BR)^N)$

Where CP is the current price of the cargo service for the route, FP is the final price payable to settle the contract, BR is the Borrowing Rate in percentage divided by 100 and N is number of weeks to providing service as a factor of year.

35 38. A method of quantifying cargo space risk by electronically pricing said risk as a option fee to purchase an electronic option contract to be offered to buyers, the method comprising the steps of:

40 using a central controller having a CPU and memory means;

having a program stored in the memory means;

45 inputting departure date, arrival date, destination, departure location and final price payable;

inputting type of cargo and flexibility of arrival date and route criteria information provided by a user;

5 querying a plurality of carrier cargo systems based on user's input;

having the provider's cargo system check the acceptability of the base price as calculated from the final price payable, weighted average cost of capital, time to provide service and current cost of cargo services, check the available departure dates satisfying arrival dates

10 linking to the transporters, check the type of transporter available on this route, if available select a transporter based on type of cargo criteria provider by user, check on load capacity of the chosen transporter, check on cargo space availability on the chosen transporter, historical demand for this type of cargo space, calculates the standard deviation of cargo prices up to current time for this route, check the predicted weather on selected departure date(s) and arrival date(s), check whether the departure date may coincide with any public holiday or weekends, calculates the number of weeks to departure date(s) and;

20 for each different departure date(s) available calculating the option fee contract that gives the customer the contractual right to secure within a future period said period equal or less to the period before the selected departure date, the underlying cargo shipping services for a particular route, for a particular service provider and final price which satisfied the shipping information and the cargo information provided by corresponding cargo system by having the CPU execute said program; and

25 25 outputting the option fee to the user and update the database where said option contract is available for predetermined period to other users if not selected by first user.

30 39. A method for cargo service providers to manage cargo space risk in an interactive electronic exchange between registered users and cargo service providers by electronically pricing said risk as a option fee in accordance to the terms of a contract to secure the underlying cargo service at a pre-agreed final price within a pre-agreed future period, said priced contracts may be sold, bought and settled comprising the steps of:

35 providing the cargo fee schedule for a fixed route and type of cargo to user;

receiving cargo shipping information from user in view of securing the services for the particular route;

40 sending said information to service providers' cargo systems;

querying said information for suitability by connected cargo systems;

45 receiving inputs from provider's cargo systems which satisfy cargo shipping information and agreeable to provide such a service;

determining the number of responding cargo systems and calculating the option fee contract that gives the customer the contractual right to secure within a future period said period equal or less to the period before the selected departure date, the underlying cargo shipping services for a particular route, for a particular service provider and final price

5 which satisfied the shipping information above; and

outputting the option fee to the user and update the database where said option contract is available for predetermined period to other users if not selected by first user.

10 40. The method according to claim 39, wherein the step of:

receiving a query on the cargo fee for a fixed route and type of cargo from user;

15 receiving cargo shipping requirements information includes final price payable, destination of cargo, arrival date of cargo, departure location, departure date, flexibility of arrival date, type of cargo and route criteria provided by a registered user;

20 querying the above data with at least a carrier cargo system where cargo system calculates the base price from final price payable, weighted average cost of capital of service provider, time period to provide service, current cargo service cost for a selected route, satisfactory arrival date of cargo depending on flexibility factor, availability of transporter satisfying arrival and departure date(s), acceptable weather conditions for departure and arrival date(s); and

25 provided said queried data are acceptable to cargo system, said system receive cargo information includes current loading capacity of a chosen transporter, historical demand for this type of cargo space, calculating the current standard deviation of cargo prices up to request time for this service route, the base price, acceptable weather data on chosen departure and arrival date(s), data on the departure date may coincidence with any public 30 holiday or weekends, the type of transporter selected on this route, the number of weeks to selected departure dates to central controller, and at central controller, determining the number of cargo systems that actually responded in order to calculate the option fee.

35 41. The method according to claim 39, further comprising the steps of:

40 wherein said cargo system receiving information includes first information describing final price payable, second information describing destination of cargo, third information describing arrival date of cargo, fourth information describing the flexibility of arrival date, fifth information describing the type of cargo, sixth information describing the departure date of cargo, seventh information describing the departure location, eighth information describing the route criteria from user wherein program in cargo system is further means to use at least one of first said information, said second information, said third information, said fourth information, said fifth information, said sixth information, said seventh information, said eighth information to calculate base price, determine 45 planning, and commercial suitability; and

steps wherein said central controller receiving information which includes first information describing a number of weeks before departure, second information concerning the historical demand of this type of cargo space, and third information concerning the standard deviation of the freight prices of the said route, and fourth information on the current price, and fifth information on the flexibility of the cargo arrival date, sixth information on the loading capacity of the transporter at the time of query, seventh information on the predicted weather prevailing on the date of departure and arrival, eighth information on the timing of the transporter, ninth information on the type of cargo, tenth information on the type of transporter selected, eleventh information on the number of competition, twelfth information on the final price payable, thirteenth information on weighted average cost of capital of service provider and wherein said program in central controller is further means to use at least one of said first information, said second information, said third information, said fourth information, said fifth information, said sixth information, said seventh information, said eighth information, said ninth information, said tenth information, said eleventh information, said twelfth information, said thirteenth information to calculate the cargo service option fee.

42. The method according to claim 39, further comprising the steps of receiving an indication that a user has purchased or sold the option contract; updating a customer database to record the sale or purchase of the option contract and posting details to a transaction database accessible by all users.

43. The method according to claim 39, further comprising the step of:

25 receiving a user request for information on cargo pricing;

26 | providing such information for a fixed route and type of cargo;

30 receiving a user's request in the form of shipping information to purchase a cargo option contract;

35 querying the connected cargo systems for interest in the user's request;

40 receiving responses if any from cargo systems via central controller with a range of prices for contracts closely matching shipping information;

45 scanning for any other ready seller matching at that price or lower in open database;

46 receiving acceptance of the selected price of the option contract (s) from the user;

47 checking for acceptance of the transaction again with seller;

48 displaying the full option contract for user to agree at user's terminal;

49 upon agreement, performing a payment transaction through a nominated bank account by electronic instructions connected to the bank;

storing information regarding said contract until expiry or settled which ever is first in the contracted parties respective accounts; and

5 posting the details to a transaction database which is accessible by all users over the network.

44. The method according to claim 43, wherein the step of receiving shipping information includes receiving the range of possible dates of departure, destination, departure
10 location, dates of arrival, range of possible settlement price or final price payable, type of cargo and flexibility of arrival dates for this route criteria, range of option fee acceptable and a selection of service providers.

15 45. The method according to claim 43, further comprising the steps of:

receiving a user's request to settle user's option contract;

20 displaying the requested option contract with a selection for either to pay final price or cancel at user's terminal;

25 receiving user's agreement to settle the final price at user's terminal;

performing a payment transaction to pay the final price to the service provider
responsible for providing the cargo service;

30 updating the database to reflect the settled cargo service in both the said user's and service provider's accounts; and

posting details to a transaction database which is accessible to all users over the network.

35 46. The method according to claim 40, wherein the calculating steps of the option fee is based at least in part on the formula:

$$a = \text{Log}(CP/ FP)$$

$$b = (BR + 0.5 * SD^2) * TY$$

$$c = SD * (TY^{0.5})$$

$$d1 = (a + b) / c$$

$$d2 = d1 - SD * (TY^{0.5})$$

40 Cargo Option Fee = $(CP * \text{SNorm}(d1) - FP * \text{Exp}(-BR * TY) * \text{SNorm}(d2)) * L * LD * R * W * T * Q * A * CO$

Function SNorm(z)

$$c1 = 2.506628$$

$$c2 = 0.3193815$$

$$c3 = -0.3565638$$

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c4 = 1.7814779
c5 = -1.821256
c6 = 1.3302744
If z > 0 Or z = 0 Then
  5      w = 1
  Else w = -1
  End If
  y = 1 / (1 + 0.2316419 * w * z)
  SNorm = 0.5 + w * (0.5 - (Exp(-z * z / 2) / c1) * (y * (c2 + y * (c3 + y * (c4 + y *
10    (c5 + y * c6))))))
  End Function

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where L is the factor related to load capacity, TY in Years to departure, FP is the Final Price Payable, BR is the Borrowing Rate of service provider, LD is a factor concerning the historical demand for this type of cargo space, R is a factor concerning flexibility of cargo arrival date, SD is the instantaneous standard deviation of the freight cargo prices as measured in logarithmic returns, CP is the current cargo price, W is a factor concerning the weather on the departure date and arrival date, T is a factor concerning timing of departure date such as in holiday period or otherwise, Q is factor for type of cargo including weight, dimensions, A is for type of transporter and CO is for number of competition on the same route;

25 wherein the calculating step of said program in said memory in cargo system calculates the standard deviation of the freight cargo prices or implicitly from transacted option fee of similar terms; and

wherein the calculating step in said program in said memory in cargo system calculates the base price at least in part on the formula:

30 Base Price = $(CP * (1 - FP/CP)) * ((1 + BR)^N)$

where CP is the current price of the cargo service for the route, FP is the final price payable to settle the contract, BR is the Borrowing Rate in percentage divided by 100 and N is number of weeks to providing service as a factor of year.

35 47. Computer executable program at the cargo system with steps operative to control a computer, receive input from central controller, stored all inputs on a computer readable medium for determining logistic and commercial suitability of user's shipping information, calculating base price to determine acceptability, calculating standard deviation of freight prices for the selected route, responding to central controller with cargo information over a network comprising;

40 45 a step of receiving final price payable, destination of cargo, arrival date of cargo, departure date, departure location, flexibility of arrival date, type of cargo, and route

criteria, collectively known as user's shipping information via central controller from user;

5 a step of discovering suitability of user's request at a cargo system involving;

a step of confirming suitability of weather conditions based on various dates within the limits of user's flexibility factor at cargo system;

10 a step of calculating base price and to determine commercial suitability based on date(s), transporter and space availability;

a step of checking availability of transporter on various dates within the limits of user's flexibility factor at cargo system;

15 a step of confirming or rejecting suitability and availability of departure dates at cargo system based on arrival dates flexibility requirements;

where cargo system determine to response includes steps for;

selecting a transporter on selected date(s)

20 checking historical demand factor for type of cargo space on the requested route and to send this data to central controller;

sending the base price from cargo system to central controller;

25 calculating the number of weeks before departure date(s) assigned by cargo system and send this data to central controller;

30 checking the loading capacity of the transporter and send this data to central controller;

35 calculating the standard deviation of the freight cargo prices and send this data to central controller;

assumes the weather conditions for both departure and arrival date(s) and sent this data to central controller;

check the timing of the departure date to see if its within holiday, peak seasons or otherwise and sent this data to central controller;

where cargo system determine to reject request includes steps for;

35 response with rejection data to central controller;

where a user decides to take up cargo system's offer includes the steps for;

40 checking the availability and requirements of the initial offer again

respond to central controller either in confirmation or no;

where a user decides to settle option contract, service provider of cargo system includes steps for;

cargo system to change status from booked to sold of the contracted service in its database upon confirmation by central controller confirming payment has been made to service provider's account for the purpose of settlement of this contract cargo service.

48. Computer executable program at the controller with steps operative to control a computer, receive input from terminal devices, query cargo systems, receive input from cargo system(s), stored all inputs on a computer readable medium for determining a option fee to purchase a contractual right but not the obligation to secure a cargo shipping service, display all open option contracts, both bid and offer quotations online over a network comprising:

45 a step of receiving final price payable, destination of cargo, arrival date of cargo,

departure date, departure location, flexibility of arrival date, type of cargo, and route criteria, collectively known as user's shipping information;

5 a step of sending user's shipping information to a plurality of connected cargo systems;

a step of discovering suitability of requester/user at a cargo system as in claim 47;

a step to receive the number of weeks before departure date(s) assigned by cargo system and assign a factor in years at the controller;

10 a step to receive and assign the historical demand factor for type of cargo space on the requested route at central controller;

a step to receive the standard deviation of freight cargo prices from cargo system at the controller;

15 a step of receiving the current price of cargo from cargo system at central controller;

a step to receive and assigned the flexibility factor as sent by the user at central controller;

a step of receiving loading capacity data of selected transporter from cargo system and assign a factor at central controller;

20 a step to assign a factor to the predicted weather on the departure date(s) and corresponding arrival date(s) as provided by cargo system at the controller;

a step to assign a factor to the timing of the transporter's departure date such as in holiday period or otherwise at the controller;

25 a step to assign a factor to the type of cargo at the controller;

a step to assign a factor to the type of transporter at the controller;

a step to receive weighted average cost of capital of service provider at the controller;

a step to receive final price payable at the controller;

30 a step to assign a factor as determine by the controller as to the number of competitors for this route as determine by the number of cargo system queried and returning satisfactory responses;

a step to execute the program to calculate the option fee;

a step to output the option fee;

a step to ask the user to accept or reject this option fee;

35 where user accept this option fee(s), a step to query the selected service provider to confirm before completing the acceptance;

a step to display the complete option contract at said fee to user for agreement or rejection;

a step to receive from user either agreement or rejection;

40 upon agreement, a step to complete bank payment by debiting funds from buyer's and crediting seller's accounts;

a step to update option contract in purchaser and seller accounts;

a step to update option details in transaction database accessible by other users;

where user reject this option fee or fee(s), a step to provide the user to change the initial shipping criteria;

45 and where user cancel this option fee or fee(s), a step to provide this option contract(s) and arranged them to be available to other users for a limited period.

49. A method of electronically pricing a option fee, originating and purchasing a option contract from at least one cargo service provider for a cargo freight route over a network,

comprising the steps of:

5 checking cargo fee by providing route and type of cargo to central controller;
 receiving selected tentative cargo fee including last done price from central controller;
5 inquiring the option fee by providing shipping information to a plurality of cargo systems
 via central controller over a network by user;
 calculate base price at cargo system;
 determining suitability of shipping information by cargo systems;
 sending cargo information to central controller by cargo systems;
10 calculating option fee(s) at central controller;
 receiving said option fee(s) through central controller from responsive cargo system over
 a network;
 receiving an offer to purchase the option contract satisfying said shipping information
 over a network;
15 conforming with seller on the selected option contract again;
 displaying the option contract for agreement or rejection by user;
 upon agreement, purchasing said contract at said option fee;
 initiating payment instructions to respective banking accounts;
 updating both buyer and seller accounts; and
20 updating transaction database where data is available to other users.

25 50. The method according to claim 49, further including the step of using said option
 contract to settle final payment to secure the freight cargo service with the particular
 cargo service provider.

30 51. The method according to claim 49, wherein said step of checking cargo fee and
 inquiring on option fee includes providing shipping information such as final price
 payable, destination of cargo, arrival date of cargo, departure date, departure location,
 flexibility of arrival date, type of cargo, and route criteria or ranges of said in searchable
 format over the network via a terminal device.

35 52. A network system for originating, selling a option contract to secure a particular
 cargo service at a particular final price for a particular route within a fixed period over a
 network, comprising:

40 having a plurality of terminal devices means to communicate with a central controller,
 having said central controller using a communication means to provide tentative cargo
 pricing and last done prices to terminal devices based on such a request;

45 having said central controller using a communication means to communicate with a
 plurality of cargo systems with shipping information from said terminal devices, to
 receive data from cargo systems and to determine a fee for a option contract to secure a
 freight cargo services within a future date;

wherein said user terminal device to transmit to the central controller shipping information comprising the final price payable, destination of cargo, arrival date of cargo, departure date, departure location, flexibility of arrival date, type of cargo, and route criteria;

5 wherein said central controller linking and querying each cargo systems with said user's shipping information determining the number of cargo system responses, said responsive cargo system is adapted means to respond by transmitting to central controller the current price and cargo information factors relating to such as

10 current loading capacity of a chosen transporter, historical demand for this type of cargo space, the current standard deviation of freight cargo prices up to request time for this service route, acceptable weather data on chosen departure and arrival date(s), data on coincidence of departure date with any public holiday or weekends, the type of selected 15 transporter on this route, final price payable by user, weighted average cost of capital of service provider; and

20 having said user terminal device to receive from the central controller the option fee(s) as calculated from said data, from at least one service provider or other users with option contracts listed for sale satisfying user's inputs.

53. The system according to claim 52, wherein:

A25 having said terminal device is adapted to transmit a user request to purchase the selected option contract;

having said central controller to confirm with seller offering the selected contract;

30 having said central controller displaying the complete option contract for agreement or rejection by user;

35 upon agreement, having said central controller to perform a payment transaction by debiting the bank account of the user and crediting the bank account of the seller cargo service provider; and

40 having said terminal device adapted to transmit a user request to settle the option contract according to the terms of option contract by performing a final payment transaction by debiting the bank account of the user and crediting the bank account of the seller cargo service provider.

45 54. The system according to claim 52, wherein:

having a user sell existing option contracts with attached terms and conditions by listing them in database;

45 having a buyer select the option contract(s) and confirm selection;

displaying the complete option contract for agreement or rejection by user;

upon agreement, performing payment transaction to credit the payment from the sell of the said contracts and debit the account of the buyer;

5 updating all the entries by assigning the seller's contractual rights to the new buyer;

notifying the cargo service provider;

10 updating the database for seller, new buyer and service provider's accounts to reflect the changed in ownership and mutual obligations;

C 1 updating the transaction database with the details accessible by all users online; and

15 having said central controller receiving a fee for its services from the service provider.